

ETP TRENDS

Volume 13, Issue 3

Fall 2003



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2002 SHP Drugs: Gender Analysis

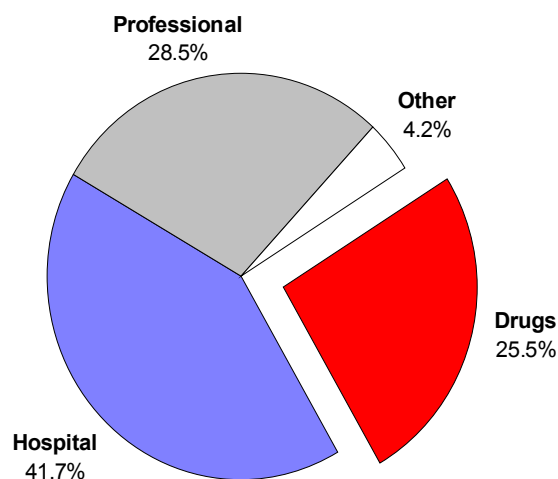
There has been much attention paid over the last few years to rising drug costs. By now, most know that drug cost growth is a major contributor to the soaring health care costs affecting our nation and state.

A total of 5.99 million prescriptions were filled or refilled during 2002 under the SHP at a cost of \$222.9 million. To put drug costs in perspective, they comprised 25.5% of total SHP claims payments in 2002. In 1999, drug payments only composed 16.2% of SHP plan payments.

Prescription drug usage is not a gender problem. Both males and females are utilizing drug benefits at escalating rates. However, by analyzing prescription drug data by gender, we find that there are differences between the genders. In this article, we will examine some of gender differences in drug trend.

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2002 SHP Drugs Share of Plan Payments



Drugs

Continued from Page 1

Drug Costs

SHP drug costs for prescription users climbed 21.0% from \$184.4 million in 2001. The percentage growth was even higher for males, which saw a 24.2% increase in SHP drug costs. Females saw their SHP drug payments climb 19.7%.

While male prescription drug payments grew faster than for females, female prescription drug users had a higher average plan payment for prescription drugs than males. Their annual average SHP drug payment was \$740.69 per user compared to \$704.26 for males.

Utilization

Out of the 379,986 insured lives covered under the State Health Plan (SHP) in 2002, 58.0% were female while 42.0% were male. The gender composition of prescription drug users was somewhat similar as 62.0% were female and 38.0% male.

The overall number of drug users rose 6.7% in 2002 while the SHP insured lives actually rose by 2.4%. This trend is echoed across the nation as plan are seeing their prescription drug user counts grow, further stressing limited health care dollars.

Not only are more insureds filling prescriptions; they are filling them more frequently as well. That itself is not always a negative outcome. For those whose medications are required as maintenance drugs for a particular health concern, it is desirable that they use medications properly. This in turn reduces the likelihood and need of expensive hospitalizations.

Gender Analysis

Females, as in years past, were more likely to utilize prescription drugs in 2002 than males. A total of 4.04 million prescriptions were

filled by females in 2002 compared to 1.95 million for males. Taking into account that 6 out of 10 SHP insureds were female, their per insured utilization still exceeded that of males. Of the 220,560 females insured by the SHP in 2002, 86% of them filled a prescription in 2002. In comparison, of the 159,426 males insured by the SHP, 73.4% filled a prescription.

Female prescription users on averaged filled or refilled 21.3 prescriptions in 2002, as compared to male prescription users averaging 16.7 prescriptions filled or refilled each.

Male SHP Insureds

Male Drug Payments

Cholesterol levels were a leading cause for male prescription drug payments in 2002. In fact, the top 2 drugs in terms of claims payments were cholesterol lowering agents. The SHP paid more in male drug payments for Lipitor than any other drug in 2002 with plan payments totaling \$4.0 million. While Lipitor led male SHP drug payments, Zocor, another lipid/cholesterol lowering agent, ranked second in drug payments with \$3.1 million and 5,318 drug users in 2002. Prescriptions for Zocor totaled 33,431, slightly over half the prescriptions filled for Lipitor.

Prilosec and Prevacid, both proton pump inhibitors had the third and fourth highest plan drug payments for men in 2002. Prilosec ranked third with plan payments of \$2.6 million while Prevacid had \$2.4 million in payments.

See Drugs on Page 3

2002 SHP Drugs: Males vs. Females

UTILIZATION	Males	Females	Total
SHP Insured Lives	159,426	220,560	379,986
Prescription Users	116,959	189,788	306,747
Prescriptions Filled	1,948,500	4,039,436	5,987,936
% of Insured Lives	73.4%	86.0%	80.7%
COST	Males	Females	Total
Plan Drug	\$82.4 million	\$140.6 million	\$223.0 million
Per Capita Drug Payment	\$516.66	\$637.35	\$637.35

Drugs

Continued from Page 2

Top Male Prescriptions

The top 10 prescription drugs filled by males totaled 294,732 prescriptions. These top 10 male prescription drugs accounted for 15.1% of total prescriptions in 2002. Of these, one-third, or 98,976 prescriptions, were for the Lipid/Cholesterol Agents Lipitor and Zocor, which were the first and third most prescribed drugs to males, respectively. Prescriptions for Norvasc ranked second in terms of male prescriptions.

Female SHP Insureds

Female Drug Payments

Female SHP prescription drug payments totaled \$140.6 million in 2002, up 19.7% from 2001. Their growth in payments was lower than the 24.2% growth trend for males. However, female drug payments were still responsible for 63.1% of SHP drug payments in 2002 as compared to 63.9% in 2001.


Prilosec remained the top drug in terms of female drug payments as the SHP paid \$4.4 million for female Prilosec users. Lipitor, the top male drug in terms of plan payments, ranked second behind Prilosec with \$4.1 million. Prevacid, a proton pump inhibitor was the third largest female drug payments with \$4.1 million in 2002.

Top Female Prescriptions

The top 10 prescription drugs filled by females combined for 604,565 prescriptions, 10% of 2002 prescriptions filled. Premarin, an estrogen drug, topped female drug prescriptions with 116,583

prescriptions filled or refilled in 2002. Synthroid, a thyroid hormone, ranked second with 83,497 prescriptions filled for females while the lipid/cholesterol lowering agent Lipitor was the third most prescribed drug to females with 69,792 prescriptions.

Conclusion

While there are differences in both the drugs prescribed and utilization of prescription drug benefits between males and females, data points to the shared importance of drug benefits to both. 

Top 10 Drugs by Plan Payments

Males

Rank	Drug Name	Total Rx	Total Rx Users	Plan Payments
1	Lipitor	65,545	9,811	\$4,018,069
2	Zocor	33,431	5,318	\$3,111,530
3	Prilosec	21,736	3,722	\$2,641,713
4	Prevacid	21,807	4,093	\$2,407,027
5	Celebrex	21,155	5,442	\$1,689,548
6	Nexium	15,062	3,387	\$1,596,420
7	Actos	12,703	1,893	\$1,547,832
8	Pravachol	18,676	2,869	\$1,499,698
9	Vioxx	17,676	5,176	\$1,112,115
10	Norvasc	33,845	4,871	\$1,093,804
		261,636	46,582	\$20,717,755
		1,686,864	70,377	\$61,651,303
		1,948,500	116,959	\$82,369,058

Females

Rank	Drug Name	Total Rx	Total Rx Users	Plan Payments
1	Prilosec	35,885	6,405	\$4,415,547
2	Lipitor	69,792	11,027	\$4,119,398
3	Prevacid	36,304	7,424	\$4,098,380
4	Celebrex	46,889	11,547	\$3,793,838
5	Nexium	29,268	6,776	\$3,148,355
6	Zocor	32,540	5,307	\$3,030,807
7	Zoloft	48,661	9,203	\$2,709,791
8	Vioxx	36,903	10,618	\$2,339,431
9	Fosamax	45,582	6,740	\$2,068,593
10	Paxil	33,426	6,024	\$2,056,128
		415,250	81,071	\$31,780,267
		3,624,186	108,717	\$108,794,603
		4,039,436	189,788	\$140,574,870

2003-2004 Regional Plan Year Update



Each year, usually in February, we publish the 50-State Survey. This survey compares South Carolina's State Health Plan Standard Option's premiums to state plans across the nation. In addition to the premium comparison, we now track plan design changes for the South regional states.

There is no uniformity in the effective dates of state health program changes across the nation. While many states plan year begin January 1, others begin July 1 or some other month of each year. This mid-year report will show some of the plan design changes across the South as some states enter their new 2003/2004 plan years.

Out of the 14 regional states, we obtained updated information for 7 states that have plan design and/or premium changes prior to January 1, 2004. Those states are: Georgia, Louisiana, Mississippi, North Carolina, Texas, Virginia, and West Virginia.

Premium Growth

Premium growth occurred in 6 of the 7 states reviewed. The growth varied state to state. For instance, employees in Mississippi did not have a premium increase for their share while the state's share rose 4.1%. In West Virginia, state employee share increases ranged from 22-24.0% while the state's share increased between 14-14.9%.


Benefits Changes

It appears that premium changes were more prevalent than plan of design changes in these 7 southern states. Only 3 of these 7 had significant changes to their plan of design. Most of the changes centered around prescription drugs. All 3 states increased the patient's drug copay amounts while Virginia also changed their tier structure to a 3-tiered approach. A 3-tiered approach is one in which patients pay a different copay for generic drugs, preferred brand drugs, and nonpreferred brand drugs.

In addition to prescription drug coverage changes, several states made other cost sharing adjustments. Texas raised the employee's coinsurance share to 20% from 10%, increased its emergency room copay by \$50, and added a new \$100 copay for outpatient surgery.

Virginia increased both the individual and family annual deductibles, and raised the maximum coinsurance by \$100.

Conclusion

States are still trying to find ways to reduce health costs. As more states announce their plans for their upcoming plan year, many find themselves adjusting cost sharing and premium growth. This trend should in no way be assumed to be a South Carolina or South region trend. 

What Regional States Are Doing For Their New Plan Year

	Georgia	Louisiana	Mississippi	North Carolina	Texas	Virginia	West Virginia
Effective Date	Jul. 1, 2003	Jul. 1, 2003	Jul. 1, 2003	Oct. 1, 2003	Sep. 1, 2003	Jul. 1, 2003	Jul. 1, 2003
Premium Increases	*	*	*	*		*	*
Increase Annual Deductibles						*	
Increase Coinsurance					*		
Increase Drug Copays			*		*	*	
Increase Emergency Room Copay					*		
Increase Outpatient Surgery Copay					*		

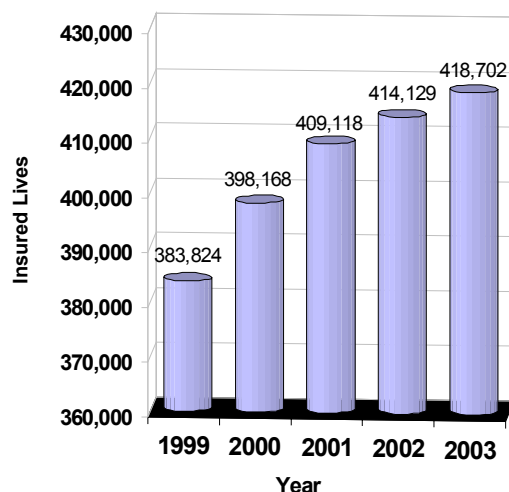
2003 HEALTH ENROLLMENT

Insured Lives in 2003

The Employee Insurance Programs insured a total of 418,702 lives in February of 2003, a slight 1.1% increase from February 2002. Just as in 2002, enrollment growth remained slow. A key contributing factor to this trend is the current financial status of the state.

When subscriber and dependent enrollment are examined separately, we found that both had relatively unchanged enrollments. Health subscribers, making up 56.5% of insured lives, saw their enrollment count rise only 1.3% to 236,568 subscribers while their dependent enrollment rose 0.8% to 182,134 dependents.

Health Insured Lives:
1999 to 2003



Actives, Retirees, Survivors, and COBRA

The number of subscribers in health plans totaled 236,568 in February 2003, a 1.3% increase from 2002, and below the 5-year average annual growth rate of 2.8% from 1998 through 2003.

Actives

Active subscriber enrollment growth all but stopped in 2003. A total of 179,136 active subscribers were enrolled in February of 2003, only a 0.5% increase from 2002. In the past two years, active subscriber enrollment has grown less than 1%.

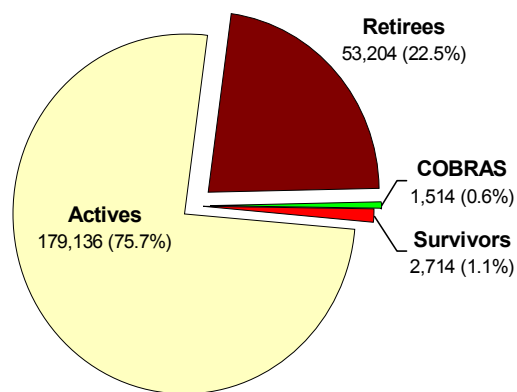
Active enrollment in the State Health Plan (SHP) dropped by 3.8% to 153,105 subscribers while active HMO enrollment increased 53.0% to 17,437 subscribers.

Many plan year 2003 active subscribers took advantage of the Point of Service (POS) health plan options available in 2003. A total of 8,594 active subscribers enrolled under these plans.

Retirees

While active enrollment slowed, retiree enrollment continued to climb. The number of retiree health subscribers grew 3.8% to 53,204 in 2003. The

2003 Subscriber Enrollment
by Type



vast majority, 98.1%, enrolled under the SHP. Out of the SHP retiree subscribers, 53.0% enrolled under the Standard Plan, 46.1% enrolled under the Medicare Supplement Plan, while 0.9% chose the Economy Plan.

See Subscribers on Page 7

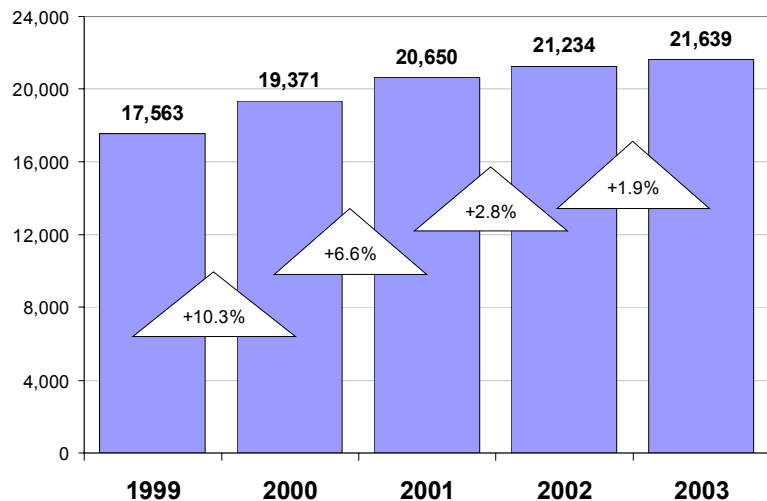
Dependent Student Health Enrollment Levelling Off

Providing for dependent children in school that are over 18 can be a major challenge to a family. The college years often leave the full-time college student in a predicament. Because they are a full-time student, they often do not have jobs that will provide them health insurance at affordable rates. Yet, the need for quality health insurance still remains.

The State of South Carolina recognizes the need to support full-time students whose parent(s) or guardian(s) are covered under health insurance plans through the Employee Insurance Program (EIP). Under EIP rules, an unmarried child who is 19 years of age but less than 25 years of age who is enrolled in and attending a high school, trade, vocational or technical school or college (not correspondence courses) on a full-time basis as defined by the institution, is eligible to be covered as a dependent child of an eligible subscriber.

The Employee Insurance Program (EIP) provided health insurance coverage to 21,639 dependent students over 18 years of age in February 2003, a

Dependent Student Health Enrollment: 2000 - 2003




slight 1.9% increase from the February 2002. This group comprised 5.2% of total insured lives in February 2003.

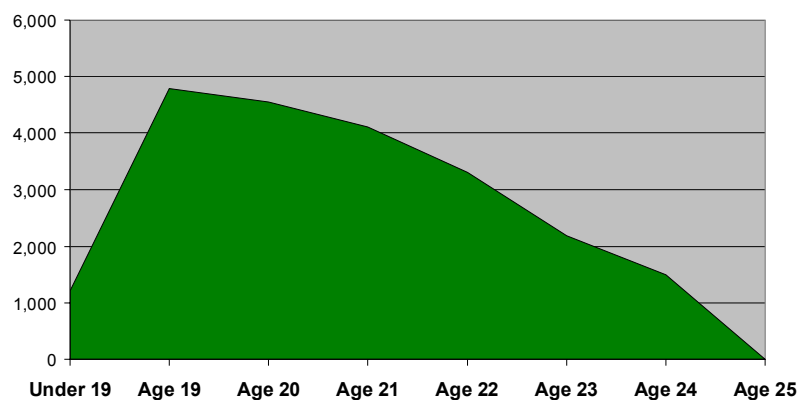
As the number of insured lives covered through EIP-offered health plans slowed, so did growth in dependent student enrollment. The 1.9% growth in dependent student enrollment is substantially below the 10.3% growth seen in 2000. In fact, dependent

student enrollment growth has been below 10.0% every since 2000. Overall insured lives growth has slowed as well from 3.7% in 2000 to 1.1% in 2003.

Dependent students' average age was 20 in 2003. Those 19 years of age comprised the largest age group with 4,788 (22.1%) students. Students 20 years of age totaled 4,550 (21.0%) students. Most dependent students were females (52.6%).

The Employee Insurance Program continues to provide a valuable benefit to dependent students. 

2003 Dependent Student Health Enrollment by Age




Subscribers

Continued from Page 5

Survivors

Survivors remain a relatively small proportion of health subscribers. Only 1.1 percent of health subscribers are enrolled as survivors, totaling 2,714 subscribers in February 2003. The SHP remains the plan of choice for an overwhelming 99.0% of survivors.

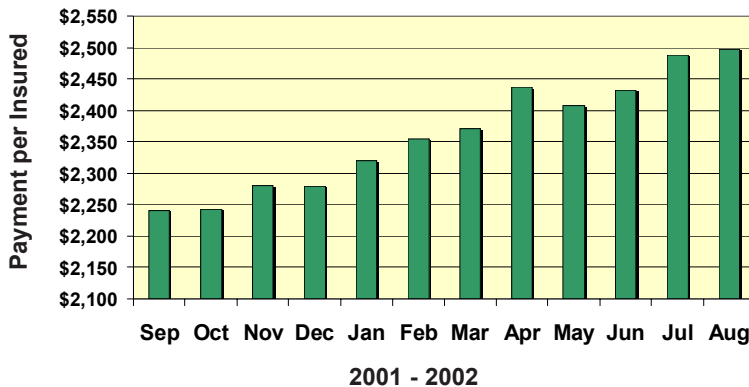
COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) requires that a temporary extension of coverage be offered to covered employees and their families when a qualifying event occurs and coverage would have normally ended. A total of 1,514 subscribers were enrolled as COBRA subscribers with 93.5% of these subscribers enrolling in the SHP. 

Past Trends

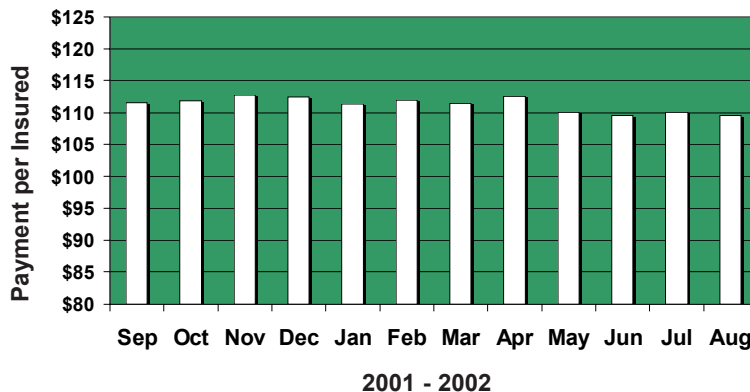
Medical Payments in Prior Year Ending in May

For example, the May total equals payments made June 2001 - May 2002.



Dental Payments in Prior Year Ending in May

For example, the May total equals payments made June 2001 - May 2002.



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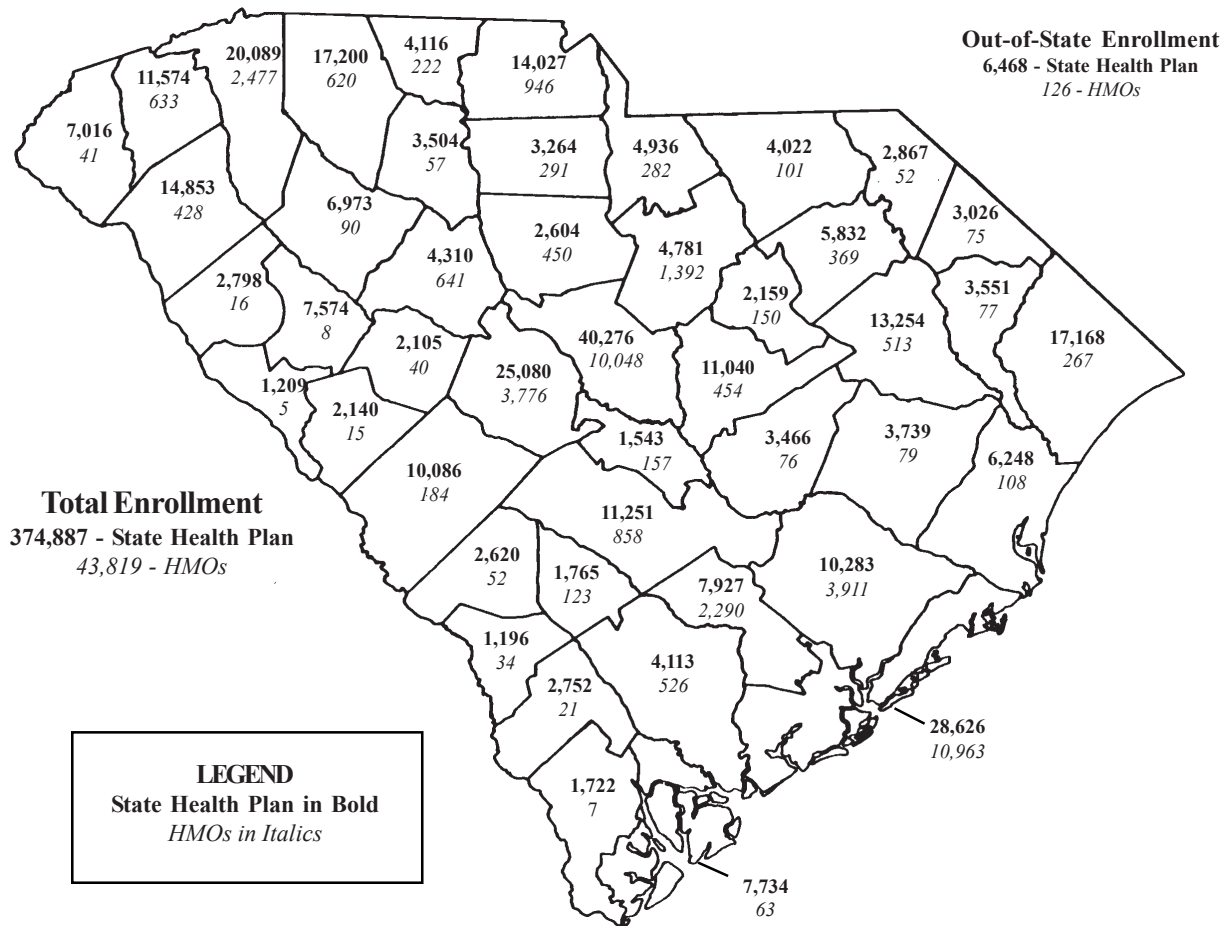
By Mail:

Employee Insurance Program

Post Office Box 11661

Columbia, SC 29211

2003 State Group Enrollment by County



The above map lists the number of individuals insured by the State Health Plan, Companion HMO, CIGNA HMO, Companion Choices, CIGNA POS, and the MUSC Options Plan, by county of residence as of February 2003. These numbers vary slightly from article numbers since they are based on different report dates in February 2003.

Employee Insurance Program
State Budget and Control Board
Post Office Box 11661
Columbia, South Carolina 29211

ADDRESS CORRECTION REQUESTED

The State Health Plan (SHP) is undergoing several plan design changes as well as premium increases for the 2004 plan year. While most realize that increasing health costs are wreaking havoc across the nation, they are also directly impacting SHP subscribers.

The following set of charts will give you an idea of the cost trend affecting plan design changes as well as premium growth.

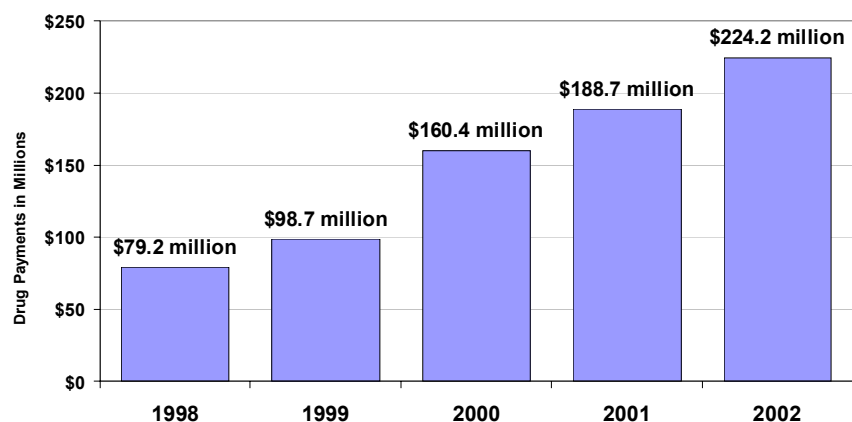


Prescription Drug Payments Soar

State Health Plan prescription drug payments have nearly tripled since 1998. In 1998, the SHP paid \$79.2 million in prescription drugs. By 2002, the plan paid \$224.2 million. This alarming trend is quite similar to national trends.

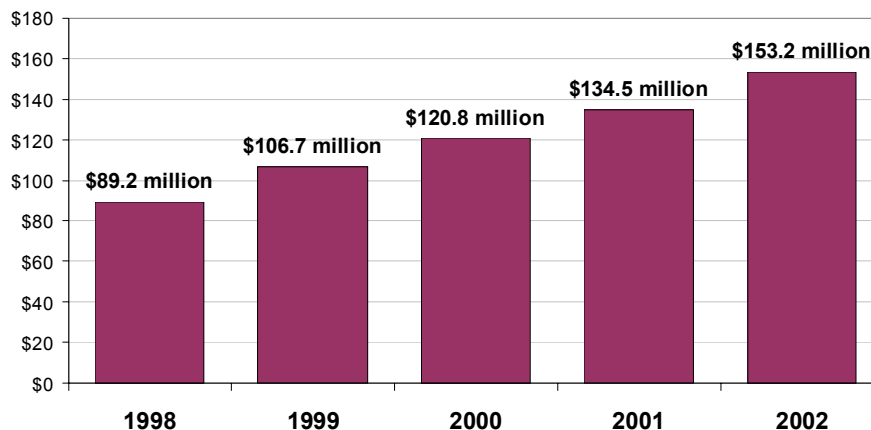
Insureds are also utilizing drug benefits in larger numbers as well.

State Health Plan Drug Payments: 1998 - 2002



Professional Office Payments Up

Professional Office Payments: 1998 - 2002



Professional office payments have grown 71.7% from 1998 to 2002. The average professional office payment per subscriber was \$717, up 10.8% from \$647 per subscriber in 2001.

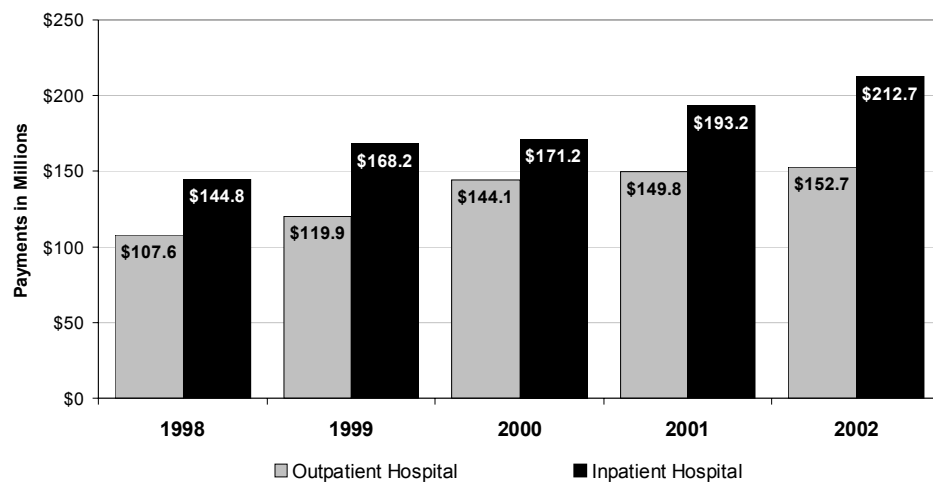
Hospital Payments Up

State Health Plan hospital payments grew 44.8% from \$252.4 million in 1998 to \$365.4 million in 2002.

Inpatient hospital payments grew the most, up 46.9% from \$144.8 million in 1998 to \$212.7 million in 2002.

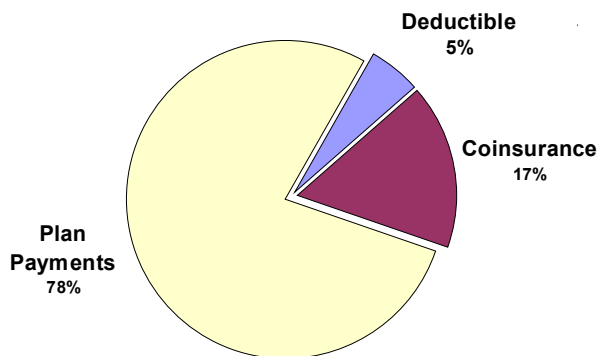
Outpatient hospital payments totaled \$152.7 million in 2002, up 41.9% in 5 years.

SHP Inpatient Hosital Payments: 1998 - 2002



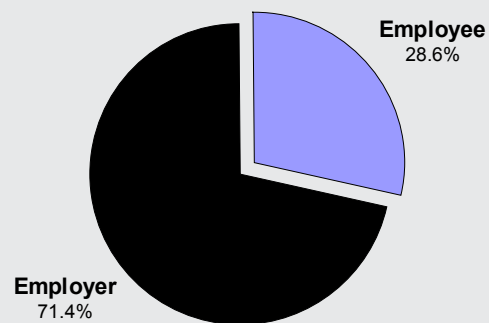
Who Is Paying What

SHP Claims Cost Sharing



The State Health Plan paid the largest portion of covered charges in 2002. State Health Plan (SHP) insureds paid less than 25% of cost of their health claims in 2002. SHP plan payments comprised over 78% of covered claims charges. Insured coinsurance accounted for 17% of covered charges while deductibles comprised the remaining 5%.

2004 State Health Plan Total Composite Premium Sharing



State Health Plan subscribers, on average, will pay 28.6% of the total premium for their health care coverage monthly. Employers will pay the majority (71.4%) of the monthly health insurance premium.